

HOUSE BILL 531

By Hackworth

AN ACT to amend Tennessee Code Annotated, Title 8,
relative to service in a retirement system for public
officers and employees.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-34-603(a), is amended by
designating the present language of subdivision (5) as subdivision (A) and adding the following
language to be designated as subdivision (B):

(B) Notwithstanding subdivision (a)(5)(A) or any other law to the contrary:

(i) If an employee is a vested member of the retirement system and such
employee worked the hours necessary to constitute a full-time work year
pursuant to this section; and

(ii) If the hours of such employee are reduced below the hours required
to constitute a full-time work year;

then, when computing benefits for such employees, the term "full years" when
determining creditable service shall also include the sum total of the hours worked
during a month, if such reduction in hours of service from full-time employment to less
than full-time employment is determined by the appointing authority to be necessary by
reason of shortage of funds and not due to a change in duties or reorganization or such
other cause. Such employees' final average compensation for purposes of determining
retirement benefits shall not be less than the amount the employees would have earned
before the hours of such employees were reduced by action of the appointing authority.
The appointing authority shall file appropriate paper work required by the board of
trustees to satisfy the requirements of this subdivision (a)(5)(B).

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.